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The Director of Central Intelligence Washington, D.C. 20505

NIC No. 00486-86/1 31 January 1986

National Intelligence Council

MEMORANDUM FOR: See Distribution

FROM:

George Kolt

National Intelligence Officer for Europe

SUBJECT:

Warning and Forecast Report for Europe

- 1. Attached is the report to the DCI based on the joint Europe/USSR meeting held on 21 January 1986. If there are any significant amendments or additions you would wish to make, please let me know.
- 2. Next months warning meeting will be held Wednesday, 19 February at 1015 in room 7-E-62. CIA Headquarters. Please have your clearances passed and call with names of the attendees by noon, Tuesday, 18 February 1986.

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3. I also encourage you to phone in suggestions for the agenda and proposals to making opening presentations. It would be helpful to have your comments for the next meeting by Monday, 10 February 1986.

George Kolt

Attachment: NIC No. 00486-86

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The Director of Central Intelligence Washington, D.C. 20505

National Intelligence Council

NIC No. 00486-86 31 January 1986

MEMORANDUM FOR: Director of Central Intelligence

FROM:

George Kolt

National Intelligence Officer for Europe

Fritz W. Ermarth

National Intelligence Officer for USSR

SUBJECT:

Joint Monthly Forecast and Warning Report -- USSR/Europe

I. Soviet-West European Relations

Α. Discussion

The Soviets intend their arms control proposals and high level visits--Gorbachev will go to Italy and Shevardnadze probably will visit the UK soon--to further their traditional objectives of creating an environment in which the US finds it increasingly difficult to manage the Alliance and encouraging the West to provide vital inputs into the Soviet economy. But Gorbachev's failure so far to make significant policy changes has not gone unnoticed in Western

- Western European governments have reacted similarly to the USG toward the latest Soviet arms control proposal. They see it as a shrewd political and propaganda effort albeit one containing new elements that should be explored by the US.
- Criticism of the Soviet Union remains strong despite the positive impression made by Gorbachev's and Shevardnadze's new diplomatic style.
- The Peace Movement is quiescent.

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-- While SDI remains controversial it is not currently a live issue. Further EUREKA poses no serious competition to it.

In sum, Western European governments and public remain skeptical about Gorbachev's blandishments. At the same time there is a disturbing proclivity in Europe to see Soviet and US policies as morally equivalent and there are important groups in various countries—particularly the SPD in Germany—that appear more distrustful of the US than of the Soviet Union. The Soviet Union will undoubtedly attempt to exploit the opportunities being created by these two relatively new phenomenona.

B. <u>Warning Note</u>

The Soviets may press to achieve a draft CDE agreement to regain the initiative at the next CSCE review meeting; an Eastern counterproposal may be in the offing on MBFR; the Soviets will work hard to gain support for Gorbachev's new proposal on INF. Gorbachev wants to meet with the Pope when he goes to Italy in order to aid the Polish regime as well as to enhance the Soviet system's legitimacy; as elsewhere, Gorbachev will make a media splash in Italy. Elections in four major countries—in France in March 1986, in Germany in January 1987, in Italy, probably this year, and in the UK, probably in 1987—may also create new political constellations that could require diplomatic adjustments by the US.

II. Soviet-East European Relations

A. <u>Discussion</u>

The Soviets continue to want to regain greater control over and greater economic support from Eastern Europe, but know the fragility of its regimes might not tolerate dramatic steps to achieve these goals. For the time being, Moscow is working at the margins, putting the East Europeans on notice not to go any further in their relations with the West and economic experimentation, and trying to improve the USSR's terms of trade in quantity and quality. The Soviets are concentrating on getting greater control over their allies' economic planning, gaining more of their science and technology output, and establish closer industrial relations at working levels. The Soviets have tried all this before and will probably gain little now. But Gorbachev may well resort to rough tactics if he doesn't get what he is looking for otherwise.

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Moscow cannot afford to wait for the aged leaders of the region to pass away before asserting itself in cadre renovation and in the succession processes. Yet the Soviets cannot simply dictate changes. They have to work at it and might have to accept compromises. The probably will seek to make their weight felt strongly at the coming Party Congresses (The Czechoslovak congress is due in March, the Bulgarian and East German in April and the Polish in June).

B. <u>Warning</u> Notice

Bilateral discussions at the CPSU Congress in February will offer Gorbachev an opportunity to give guidance to his vassals, particularly if he is able to demonstrate that he is in effective command of his own apparatus. Any sign of disfavor toward individual leaders could trigger maneuverings in that leader's party or even challenges by ambitious subordinates.	
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Fritz Ermarth George Kolt	

Attachment:
Gorbachev Schedule

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24 January 1986

GORBACHEV'S CONTACTS WITH WEST EUROPEAN LEADERS

THROUGH MID-1986

February

UK FM Howe to Moscow.

March

Gorbachev to Rome and Vatican.

Canadian Wheat Board Chairman to Moscow.

March/Apr

Swedish PM Palme to Moscow.

3-4 Apr

FRG-USSR Mixed Economic Commission meeting in

Moscow.

Visits Pending--Agreed But No Schedule Yet

Timeframe unknown

Dutch PM Lubbers to Moscow.

Shevardnadze to Greece.

February

Canadian Labor Congress International Affairs Representataive to visit USSR in February; (possible postponement until April).

First visit since relations suspended in early 1980s when Soviet trade union group refused to discuss human rights.

1st half of 86

Mitterrand to Moscow.

2nd half of 86

Danish PM Schlueter to Moscow.

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Visits Owed and Possible Timeframe

1st half of 86

Soviet FM possible visit to UK.

Spanish FM to Moscow.

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Italian Communist Party leader Natta to USSR.

Late January

Soviet arms negotiator Victor Karpov and British FCO official Timothy Daunt to discuss arms control in Moscow.

Visits Owed but Very Unlikely

Gorbachev to Bonn.

Gorbachev to Helsinki.

Turkish PM Ozal to Moscow. (Ozal mentioned Moscow in a 14 December press conference as one destination among several that he would like to visit in 1986.)

Ryzhkov to Athens (we have no information about this one).

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